

# SOCIAL ACTION



MAY—JUNE 1955

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## THE CATHOLIC SOCIAL CONFERENCE

Ernakulam, April 1954

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# SOCIAL ACTION

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MAY & JUNE

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## *This Side and That*

### *Unreal*

The Tribal Welfare Conference held at Jagdalpur was a psychological fiasco. The unreal tone of the proceedings failed to impress realistic people. It was unreal humour for Brahmins to give themselves as "Adibasis" when they have a typically different name in adibasi dialect. It was unreal to suggest that Adibasis "should be provided with all the amenities of modern life" (presumably refrigeration and television included), when the masses have not even one square meal every day of the year. It was unreal to tell them "they should be given the freedom to choose the course of their evolution" when they are not the majority in any of the Commissions and Committees that are looking after their emancipation. It was unreal to proclaim that "scholars were now convinced that tribesmen were highly gifted artists and that tribal impressionism had reached its climax long before the invention of ploughing, potting, spinning, weaving and metal-working", when their impression is that their own scholars are not given suitable recognition. It was unreal to admit that "their social organisation,

their frankness and love of truth, their unshakable loyalty to those who win their confidence are all signs of culture though they are forest-dwellers" and that the same might not be said "about town-dwellers", when they know all about town-dwellers since long.

The proper approach would have been a penitent mood with tangible promises to right the wrongs of many centuries. The proper approach would have been to nominate an Adibasi majority on all the committees planning and deciding efficacious means of tribal uplift; Congress people should not forget their old slogan that "good government is no substitute for self-government".

### ***The Inevitable Christians***

As was to be expected, a broadside was fired against the Christians. It was delivered with gusto by a reporter: "During the two years we have toured all over the country, we have heard many complaints from the Adibasis against Christian Adibasis. They say that Christian Adibasis have no respect for the ideals of life of other Adibasis....The superiority complex of the Christian Adibasis is bound to continue as long as the administration is carried on in English. When the government will be carried on in Hindi, conditions are bound to improve".

So it is not a superiority complex arising from religion; in our secular state, religion is never attacked (or is it?); it is all a show of superiority due to language, a superiority complex which apparently does not afflict any non-Christian knowing English, it being taken for granted by the Report that village life is all carried on in English. Happily conditions will improve



when Hindi will be the official language of the Central Government. Shakespeare and Milton were responsible for the wretched conditions in the jungle, and far from soothing the savage breast, their musical verse and periods were to blame for the illegal fines, extortions or arrests by forest guards, postal peons or police constables ! Be at peace, dear Adibasis, the language of Tulsidas will change all that, (will it not ?)

The most sensible saying was from the Chief Minister of Madhya Pradesh who rebuked a certain M. L. A. who had a peculiar way of criticizing the Tribal Welfare Department : " There was and there is no sense in creating bitterness between official agencies and private agencies ", a most opportune caution in the present circumstances of tribal areas in Madhya Pradesh.

### **Ministers of Wrath**

During the discussion on the latest Constitution Amendment Bill, references were made to past decisions of the Supreme Court in some land acquisition cases, and a few of them were unjudicious attacks on the judiciary. No less a person than a Minister publicly regretted that the Supreme Court " failed to move with the times and to interpret the Constitution in such a manner that progress would be possible ". Democratic Parliaments claim the monopoly of legislation and it is most inconsistent to blame the judiciary for refusing to break that monopoly. It is in the Supreme Court that the hopes of the lowliest citizens are anchored. If politicians are not pleased with its interpretation of the law, let them spend less time on their repetitious speeches and pay more attention to the text of the laws they vote so hurriedly.

**Watch the Reds**

Congressmen crowed themselves hoarse over their electoral victory in Andhra. The Communists are not disheartened. They lost seats, but they gained votes, not only in the districts they had left fallow in 1952 but what is more significant, even in the districts they had worked for the pre-elections. Moreover it is not in the Communist tradition to rely on democratic elections to win power. They also show a preference for regions which border a Red hinterland. Our northern provinces are the most attractive, notwithstanding the academic beauties of any "panchshila" doctrine.

**Forging Ahead**

It is welcome news that the Christians of Kerala are taking to the Bhoodan movement and that the clergy is giving a realistic lead. It is equally interesting to note the suggestion Mr. Jay Prakash Narain made at the Puri Sarvodaya Exhibition. The Movement takes village reconstruction as its basic task with land distribution and cottage industries as main devices. The new item on the programme is village barter. Craftsmen who seek money in dreary markets would do better if they exchanged their wares on a barter basis. European countries did so time after time to avoid dollar troubles, and our artisans might try that method, as was successfully done in some Bengal villages. Barter is as modern as it is ancient on an individual or cooperative basis.

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A. L.

## *The Indian Co-operative Movement*

Half a century has passed since the Indian Co-operative Movement was formally launched. Judging today by the aggregate figures involved, Co-operation in India seems big business indeed. The total working capital of all the Co-operative Societies, according to the Reserve Bank's review for the year 1951-52, just published, amounted to Rs. 306 crores. This was an increase of 11% over the figure for 1950-51. There were 181,189 societies of all types at the end of June 1952. The membership of primary societies was a little less than 138 lakhs as against about 100 lakhs in 1946, when India was still undivided. Reckoning the average Indian family as five, nearly a fifth of the country's population was within the fold of the Co-operative Movement in one way or another. This is certainly a creditable achievement.

### **Credit Societies**

As always, the Agricultural Credit Societies continue to form a majority in the entire Co-operative Movement, though there is a steady growth of other types of Co-operatives. While it is gratifying to notice an expansion in the number and volume of transactions of the Primary Credit societies, it is regrettable to note that the ancient criticism that they are no better than 'lending shops' continues to be valid to this day. The number of primary societies increased from 104,998 in 1950-51 to 107,925 in 1951-52 and their working capital from Rs. 41 to Rs. 45.2 crores.

One great drawback of the movement springs immediately to attention. Over one half of the work-

ing capital is derived from borrowed funds, while deposits by the members constitute less than 10%. This is perhaps the most serious defect of the movement, because the primary societies seem to have failed in their basic purpose of mobilising local savings by encouraging thrift among their members. An average deposit of Rs. 408 per society as against an average working capital of Rs. 4,190 suggests a very serious dependence on loans and borrowings from outside. Such a state of affairs is hardly indicative of the existence of anything like genuine co-operation.

Dependence on such borrowed funds has inevitably meant heavy rates of interest. We find that certain Co-operative societies even now charge as much as 12% and 15% (e.g. Uttar Pradesh and Bengal) on loans to their members. In recent years, much has been said about the mobilisation of rural savings, but apparently the rural co-operative societies have not been quite successful in attracting deposits. On the other hand, it is significant that non-agricultural credit societies have been more successful in this direction. The deposits held by them in 1951-52 amounted to Rs. 37.08 crores and formed 61.5% of their total working capital.

### **Non-credit Societies**

Since the war years, the progress of the non-agricultural non-credit societies has been spectacular. In June 1952, there were 21,649 societies with over three million members and a working capital of nearly Rs. 43 crores. The turnover of these societies, consisting of Consumers' stores, Students' stores, Canteens, and

the like exceeded Rs. 108 crores. It would seem that these societies enjoyed a veritable boom in 1950-51 —attributable largely to the conditions created by the Korean-War — when their savings rose to Rs. 242.6 lakhs, as against barely Rs. 60.9 lakhs in 1949-50. There has been a return to normal conditions in 1951-52, when the savings amounted to Rs. 55.9 lakhs.

### **State by State**

So far we have been speaking about the present status and phases of the Movement in India as a whole. But now the question arises : was the Movement uniformly the same in all parts of the country ?

Without exaggeration we might say that Co-operation has been on trial for its life in some sections of the country, as *v.g.* in Madhya Pradesh and Berar. In the darkest days of the post-war depression, the State Legislature of Berar was tempted to wind up the movement once and for all. In Orissa, Bihar, Uttar Pradesh, Hyderabad, Mysore, and Travancore there have been times when the movement was in a perilous state.

The percentage of population affected by the movement in 1945-46, reckoning each member as a representative of a family of five was 12.7 for the whole of India. But the figure varies from State to State, as for example from 89.4% in Coorg to 3.4% in Bihar, and 62.4% in the Hyderabad Administered Areas to 1.3% in Patiala. Among the larger States, Bombay, the Punjab, and Madras have a decided lead with 24.5%, 18.9%, and 18% respectively.

Apparently the movement has shown steady progress since its inception. There has been a general advance in the number of societies, in membership and working capital, in spite of the setbacks experienced in some articular areas. But how delusive mere numerical strength can mean may be seen by a comparison between Bombay and Bengal. Undivided Bengal, which in 1945-6 had nearly six times as many villages as Bombay, and nearly six times as many societies, had only Rs. 23 crores of working capital (Rs. 3.7 per head of population) as against Bombay's Rs. 35.4 crores (Rs. 16.2 per head). Besides when we consider co-operation in its fuller sense of an educative moral force, our quantitative measurements are insufficient to gauge its full effects. The co-operative spirit in its truest sense does not lend itself to calculation and percentage statistics. However judging by the opinion of some of those in actual contact with the working of co-operative societies, the movement has not accomplished much in this regard. Time and again we hear complaints of dishonesty and corruption among the leading members of the co-operative societies. On the other hand co-operation has been known to succeed in other cases and produced excellent results by changing the attitudes of the members.

### **Achievements**

Though the co-operative movement may not have succeeded in ridding the country of all its economic and social disabilities, there is no doubt that it has produced one valuable result. It has been mainly instrumental in bringing about a general reduction in the rate of interest in rural India. This does not mean

that the money-lender has been eradicated, because the Committee of the recently published All-India Rural Credit Survey regretfully states that 70% of rural credit is still being supplied by the moneylender. But it is certain that the monopoly of the money-lender has been broken by the spread of the co-operative movement and that today cheaper credit is available in the rural areas thanks to co-operation.

How far has the movement succeeded in removing the enormous load of debt that has gone on accumulating for years in the rural areas? It seems certain that while the co-operative movement could not be expected single-handed to relieve the peasant of his load, the mortgage banks that form part of the movement and supply him with long-term credit have made it possible for the peasant to save and thus pay off his debts. No statistical facts are available on this score, but several instances are given of landless labourers becoming independent agriculturists.

Another great advantage of the co-operative movement has been the encouragement of the banking habit in the rural areas. It is also said to have developed habits of thrift and economy in those who took to co-operation with a will. Where the co-operative societies have worked for some time, the general moral tone of the community has risen. Less litigation, drunkenness, extravagance and gambling are to be found in the village. The people become more keen on educating themselves and their children.

### **Drawbacks**

After going through the reports of the various committees that have examined the co-operative move-

ment practically every decade, one gets the impression that there are certain constantly recurring defects that have never been successfully remedied in spite of official warnings. In the first place, the co-operative movement was initiated by the Government and has remained in Government hands ever since. Not that it is a nationalised industry, but the direction and the control of the movement remains in the hands of the officials, especially the Registrars. Hence the people have come to believe that the movement is a state-managed affair.

Another great drawback closely connected with the first and perhaps a cause of it, is the ignorance and illiteracy of the people. It becomes difficult to find literate secretaries for the management of the village unions. Even if such a secretary is found, the illiteracy of the other members of the credit union makes it almost impossible to conduct the proceedings in a satisfactory manner. As Shri V. L. Mehta, once Managing Director of the Bombay Provincial Bank aptly remarked, "A great democratic movement like that of Co-operation can have no firm foundation unless it is based on the ordered will of the people, and I doubt very much whether the desire to organise for common economic endeavour will prove effective in the absence of an educated proletariat." Side by side with illiteracy goes poverty of a kind that makes it very difficult for the farmer to resist the temptation of an easy loan or worse still of easy money, if he gets a chance of being on the managing committee. The latest report of the All-India Rural Credit Survey points out that unfortunately loans do not reach the right quarters. It is really the rich farmer who profits by the co-operative



credit society and not the middle or the small cultivator, precisely because the credit-worthiness of the latter is low or sometimes negligible. Moreover the richer cultivator has more influence in securing the loan because of his contacts with the managing committee of the societies who are men of his class.

Another great drawback of the movement has been the almost exclusive concentration on credit societies with a view to solve the problem of debt. But credit forms only one aspect of the peasant's problem, which requires to be dealt with from various angles at one and the same time, in order to break through the vicious circle in which he is entwined. Caste and communalism, social traditions and lack of education, pressure on land and the vagaries of the monsoon, each and every one of these influences must somehow be tackled before the peasant can be set securely on his feet. Is it not asking too much of the co-operative movement to achieve all this singlehanded? Is India prepared for co-operation?

### **Recommendations**

It is interesting to study the recommendations of the All-India Rural Credit Survey. For one thing they outline what one might call a 'massive' plan for rural uplift in which the co-operative movement will play an essential part. Much stress is laid on financial assistance from the state in proper measure since this was lacking in the past. But while finance is given due stress, other important elements like an increase in production and efficiency in marketing of the product are not neglected. Indeed the Survey requires the

State to play a much more important role in the co-operative movement than it did heretofore.

*The Reserve Bank*, in collaboration with the State Governments, should plan out the re-organisation of the co-operative movement to enable it to bring about a real change in the lives of the farmers. It should be empowered to make long-term loans to State Governments out of the National Agricultural Credit Fund to enable them to buy up share capital in the various co-operative banks, such as the state, central and mortgage banks. Short term loans by the Reserve Bank on the guarantee of the State Governments should be continued but medium-term loans are to be introduced for the first time. The overall limit of Rs. 5 crores for credit purposes imposed so far on the Reserve Bank should be removed and the Bank must be allowed to lend at its discretion. Land mortgage banks should be enabled to obtain long-term loans from the Reserve Bank either directly or through the purchase of special debentures from the National Fund. In case repayment of short-term loans to the different types of co-operative societies becomes difficult because of famine or drought, the National Agricultural Credit Fund should be used to convert these loans into medium-term loans. The Reserve Bank and its Board are given full discretion in the operation of the funds and the planning and execution of the programmes and policies outlined by the Survey.

The National Agricultural Credit (Relief and Guarantee) Fund under the control of the Ministry of Food and Agriculture is meant to give grants to co-operative credit societies through State Governments

for writing off arrears that are irrecoverable, especially when they threaten the stability of the societies because of their magnitude. On the other hand, *Taccavi* loans should be reserved only for times of very acute distress, or for places where no co-operative credit society exists.

At all the higher levels of the movement, especially the central and district levels, the State must be closely allied with the movement for an indefinite period, and for more limited periods at the primary level. The Survey also recommends that the State co-operative and the central land mortgage banks should have a common administrative staff and a board of directors. The principle of limited liability is to hold good both for the State as well as for the central co-operative banks and for the larger primary societies. Indeed this departure from normal co-operative practice is to be adopted in the formation of all larger primary societies.

Short-term credit must be given only for productive purposes, i. e. as crop loans, in which case the future estimated crop stands as a kind of security for the recovery of the loan out of the sale proceeds. Even these loans are to be made in kind. Very essential needs must be met by the primary credit society, while other needs are to be supplied out of the *chit* fund which is to be worked into the co-operative movement. Medium-term loans are to be provided by the same agencies that provide short-term, and they are to be given especially for the purchase of livestock. Long-term loans are to be supplied by the land mortgage banks, and long-term credit too must be catered for by

the Central bank or branches of the State Co-operative Bank, but only indirectly on an agency basis. Finally an appeal is made for trained personnel to occupy the key posts in the higher spheres of the co-operative movement.

*The State Bank of India*, made up by the nationalisation of the Imperial Bank and its union with other State Banks, will be a commercial banking institution with branches spread all over the country, to take over the cash work of all the non-banking treasuries, to provide easy and extensive remittances facilities for co-operative and other banks, and generally to provide easy credit for agricultural purposes especially productive purposes. The new bank is to open a large number of branches in the rural areas and the loss if any is to be made up out of the Integration and the Development Fund which itself is built up from the dividends on shares held by Government and the Reserve Bank.

The idea of the State Bank for the specific purpose of encouraging the growth of the banking system in rural areas is definitely a departure from the beaten track. It only means that the Government is paying much more heed to agriculture than it did in the past, and that if India is to grow prosperous, it is first the peasant who must be lifted out of his misery.

Side by side with the development of easier methods of finance, the Committee recommends that if co-operative credit is to succeed, co-operative processing and marketing should be encouraged through a planned programme by the State Governments assisted by long-

term loans from the National Co-operative Development Fund at the disposal of the National Co-operative Development and Warehousing Board. In a word, co-operative activities are to be widened as far as possible so as to include societies for marketing, processing, dairying, etc., in all of which the medium and the small cultivator must not be by-passed. Capital and its increase for these societies should be compulsorily obtained by additional contributions from members on the basis of their sales or their loans. Finally, an All-India Warehousing Corporation and State Warehousing Corporations are to be established for the erection of suitable warehouses. Besides co-operative marketing societies may also set up warehouses, but on a co-ordinated plan with the Corporations.

In order to increase deposits from members of co-operative societies, Government should not compete for rural savings with the co-operative societies, but leave to the latter the full monopoly of doing so. Rural savings must be encouraged and in case they fall short of rural needs must be supplemented by urban savings.

The Report regretfully notices the danger of rural debt increasing once again after nearly a decade of comparative equilibrium or positive decrease. Hence it urges Government to implement its recommendations as soon as possible.

### Conclusion

Much thinking and experience in co-operative matters has been put to use in drawing up the recommendations of the Rural Survey Report. For one thing,

it is quite certain that the co-operative problem cannot be tackled by halves. The mere availability of cheap credit is not going to bring about rural prosperity unless it is accompanied by an all-encompassing attack on the evils that harass the peasant. The Report sees this point clearly and its recommendations aim to solve the problem on a wide front. It is fundamentally of opinion that Government must become an active and not remain a sleeping partner in the co-operative enterprise, and be as interested in co-operation as it is in the general agricultural situation of the country. The First Five Year Plan has certainly given primacy of place to the improvement of Indian Agriculture. In this context, co-operation should receive as great attention both because of its intrinsic merits as a moral and character-building weapon and as a socio-economic institution capable of securing justice and equality.

The increased responsibilities of the Reserved Bank and the creation of the new State Bank to stimulate savings and provide cheap finance on a much larger scale will surely play an effective role in replacing the village moneylender and thus bring down both rural debt and the rural interest rates still further. The increase of marketing and warehousing facilities will prove powerful aids towards obtaining a larger share of the sales proceeds of the product for the primary producer, and therefore enable him to save much more.

But the co-operative problem is ultimately a human problem and unless the human element itself is taken care of, the institutional machinery however perfect in itself will secure little. The Survey lays stress on

trained personnel who will be sympathetic to the villagers. Much will depend on the way these men are trained, because it is they who must know how to get the villager to put forth his best effort in the co-operative movement. On the other hand, the future of the co-operative movement seems brighter when it is realised that the several schemes for agricultural uplift like the Community Projects, the National Extension Projects, Basic and Fundamental Education, and Public Health, are already at work attacking the same problem from other angles. In this determined effort to lift the peasantry from their age-long stupor and deficiency, a resurgent co-operative movement could work wonders and will provide the country with an institutional pattern for the realisation of the present passion for equality and justice.

A. Fonseca

## *Our Proletariat*

When people talk of a classless society, they talk of a dream or of a nightmare ; they lose sight of realities. When the dictatorship of the proletariat had been established for two decades and the Stalinian constitution declared that the class struggle was over, one would have expected a classless society to be established. Yet the latest Congress which assembled in Moscow in August 1952 felt it had to declare that henceforward the party would be opened not only to workers but to the working peasants and to the working intelligentsia. This was an official acknowledgement that there were

in Russia three different groups with different interests, different pursuits, different psychologies, nor did the acknowledgement deny that there were different scales of remuneration and social estimation between and within these three groups ; in other words there were still social classes in Sovietland.

This was a firm conclusion Mr. C. Wilczkowski drew from a study of social development in Russian society since the days of the Revolution. (*Revue de l'Action Populaire*, June-July 1952). The social structure listing the three groups, workers, peasants, intelligentsia corresponds to the structure obtaining in the Tsarist days. The actual intelligentsia in Russia is not to be understood, as under the Tsars, as an elite opposed to bureaucracy nor as the ensemble of the intellectuals ; it is made up of all people who do not work with their hands, high officials, and small clerks, artisans and technocrats, politicians of all grades, in short all varieties of men who have nothing in common, neither function, nor standard of life nor social rank. It is rather an ill-determined group which stands above the basic binary, worker-peasant.

Having pierced through the nebulous verbosity of Red propaganda, one can make out the social stratification: the vast numbers of industrial and agricultural workers receiving a mere pittance, a small number of worker-aristocrats (metal workers, miners, stakhanovites, etc.) and of kolkhoze leaders in receipt of better wages and the elite of the privileged ones. Across these economic strata there runs another factor of distinction: better education, sense of responsibility, share in administration and political power, which



factor precludes any sense of equality with the manual workers.

Above all others an "elite" reigns and governs. This elite is made of two sets, first the top political bureaucracy controlling all other bureaucrats, and secondly the top specialists, scientists, philosophers, and artists to whom are assimilated the members of parliament. With regard to the standard of living, they all belong to the same level, but psychologically speaking there is a sharp difference between those who are directing and those who are directed. The elite is not a closed circle, some people climb the ladder rung by rung and reach the top. But the elite tends to turn into an aristocracy in which family ties and patronage grow in importance. The members of the elite never go back to the lowest levels, and in case of demotion are treated with special consideration, as if by birth-right. The right and practice of inheritance have been re-established by law; diplomas which suppose long and expensive studies are now necessary for all posts; hence the children of the privileged ones have an advantage over competitors by the circumstances of their birth. Already a second generation of privileged people is rising and it considers its advantages as natural consequences of its place in society. Other advantages accrue to the elite in regard to incomes unconnected with post and salary (all kinds of bonus or allowance, Stalin prizes, interests on government loans, winnings on premium bonds, returns on private loans, etc.). In short Soviet society resembles a pyramid with two massive groups as a base tapering to the apex of the elite. The elite has all the characters of a bourgeoisie: higher standard of living, feeling of superiority over manual

workers not owing to capitalist properties or to refined manners but owing to its political and administrative power which the totalitarian regime makes effective and awesome.

This political and economic tyranny is inherent to the Soviet dictatorship ; it inevitably inspires the lowest bureaucrat with a sense of superiority and aloofness when dealing with the common man, and is the very source of most irritating social differences. It was set up to hold the people together and it ends by dividing them and fissuring the social bloc. The phenomenon is one of the inner contradictions of Marxism.

After these observations on the fate of the proletariat in Communist society, the problem of the proletariat in democracies can be studied more dispassionately. A definition of the word is a necessary prelude to study. Strictly speaking the word refers to a condition of life. A proletarian is a person who lives from hand to mouth, without ever feeling sure about to-morrow's bread, without having any chance of savings that would be his own and that would offer some guarantee for the future ; he is a prey to penury and insecurity. In that sense many manual workers are not proletarians, and many non-working men are.

When addressing the Gregorian University of Rome last March, Mr. J. Marchal equated proletarian and worker. He noted three characteristic features : capacity to work (this excludes crippled and debilitated individuals who are under-proletarians) ; lack of any material capital (tools, money or consumption goods) ; lack of general culture or professional education (thus excluding the wage-earning middle class, employees,

technicians, etc. who because of their education feel above the man in the street). The proletarian is the common workman viewed on the present industrial background (thus excluding comparison with conditions in antiquity or the Middle Ages).

The word "proletarian" is more commonly used to designate a social class; this is the Marxist meaning. The Communist Manifesto explicitly said that "the immediate aim of the Communists is the same as that of all the other proletarian parties: formation of the proletariat into a class, overthrow of the bourgeois supremacy, conquest of the political power by the proletariat". The proletariat grew rapidly out of the evils of capitalist exploitation and economic liberalism, and was given its consciousness by the solidarity of common misery and Marxist propaganda. In most countries it is composed mostly of industrial workers, unskilled and semi-skilled; it also receives accretions from the lowest paid staffs, and even from the land labourers. What is essential in the make up and maintenance of the proletariat is class-consciousness. Not only do proletarians suffer from poverty and insecurity; but they are aware that it is their common lot, that they share the same experience and can only hope for salvation with means decided on and taken by them all; they feel their solidarity in misery and salvation. This class consciousness is some sort of patriotism, patriotism which unites them with only some sectors of their homeland and with like sectors in other countries: it leads them to an international spirit, feeding on a common feeling of exploitation and a common aspiration for redress and social promotion.

Proletarian class mentality is made of several reactions. Re-action against capitalism, capitalists and anything that savours of capitalism ; " Capitalism is the enemy ". Re-action against any traitors to the proletarian class, workmen who are reluctant to join the class movement heartily or to support it in all its endeavours. These reactions against capitalists and lukewarm fellow-workers recall the reaction of Patriots against an army of occupation and against collaborators with the enemy : sullen fear, silent resistance, suspicion, sabotage, revenge, hatred, etc. Also reaction against any show of paternalism ; the proletariat is irritated by patronage or condescension ; they do not want charity, they claim justice and justice only. Reaction also against Churchmen in Christian countries ; this was due partly to misery being left unrelieved but most of all to the de-Christianisation of the higher and middle classes in the course of the eighteenth and nineteenth century, de-Christianisation which percolated into the working classes ; reaction due also to the fact that the leaders of the Marxist movement were not Christians and fostered hostility to any spiritual ideal that would have distracted popular attention from economic pursuits.

When social reformers in the West discuss about the uplift, the promotion, as they say, of the proletariat, they base their conclusions on the definite elements of the economic and psychological make up of the proletarians. The proletarian suffers from poverty and insecurity ; he is not certain he can get a job that will give any wage or that this wage will be sufficient for himself and his family, and he does not know how

long that job will last. What is worse, now that his social awareness has grown acute, is that he suffers from a deep sense of real inferiority; he feels powerless in professional and social life; he is not part and parcel of a profession; he is nobody, does not create anything he can call his own, has no share in advising or directing the concern in which he is totally immersed; he does not understand anything in the working of his factory in which he is a cogwheel; he feels at the mercy of a distant patronising capitalist or worse of anonymous capitalism. Hence his fear and his anger, his fatalism and his jealousy, his apathy and his rebellion. In short his soul is ill with material insecurity and psychological inferiority.

The remedies must tackle these two diseases. First of all the raw wage-system must be abolished. The notion that labour is a mere commodity should disappear and phrases like "labour market", "labour exchange" etc. must vanish from our social vocabulary. Reforms of the economic set up of industry and commerce must be taken in hand, so as to associate employees and employers in the common enterprise by schemes like profit-sharing, co-partnership, co-determination and all manner of co-operativism. Such reforms would not only better the workers' condition, but, what is more valuable, improve his psychology and promote social peace. They would tone down and kill the spirit of revenge and revolt which simmers in proletarian hearts and spread the sense of self-respect and of mutual regard.

Parallel to this economic ascent of the worker, there should develop the full education, technical, cultural and social, of the masses so as to give them easier

access to the higher values of life. In general the Christian view of life should be fostered among employers and employees so that the basic units, person and family, of state and church should receive due regard and so that social re-organisation, horizontal and vertical, be attempted with life-giving inspiration and common purpose. Since the last war, Christian trade-unions have revived and, what is a most significant progress, association of employers have been established to implement the social doctrines of the Church in all sincerity and selflessness.

That is the way the problem of the proletariat is in process of solution in the Western democracies. The obstacles however are formidable ; the rehabilitation of the proletariat can only be achieved by a fair distribution of national income and national wealth ; personal dignity and freedom can only be fully restored by a restoration of private property ; welfare of individual and family needs a suitable adjustment of state control. But these progressive reforms are opposed by greedy capitalists, or by Marxists leaders or by the totalitarian temperaments of politicians. The struggle goes on but the forces of sanity seem to be gaining ground.

In India conditions are somewhat different. Proletarian class-consciousness is not yet solidified ; the typical working class is still in the process of formation ; many workmen are unaware of their miserable fate and should be classified as sub-proletarians ; industrial development is not yet far advanced, relatively speaking ; capitalists go on nursing their profit-motive in the raw ; labour organisation is in its infancy and distracted from

its professional purpose by political diversions ; labour legislation follows modern trends, and runs ahead of the social realities, etc. In short the crisis of India's modernisation reveals elements of uncertainty and special features ; it would be rash to prophesy that future developments will follow the western pattern, and unwise to forecast the incipient evolution of social structures.

A. Lallemand

## *Some Recent Labour Law Decisions*

1

( LABOUR APPELLATE TRIBUNAL )

22 — 3 — 1954

### *Payment of Wages during a lockout*

*Itakhoolie Tea Estate v. Their Workmen.*

#### **Question**

Are workmen who do not report for work during the course of a lockout, later declared unjustified, entitled to their wages ?

#### **The Facts**

The management of the Itakhoolie Tea Estate, Tinsukia, closed the garden from 13 to 25 September, 1952 (both days inclusive.). Some workmen reported for duty on the 13th and actually did some work. During subsequent days no workmen reported for duty. This

led to a dispute between the management of the tea garden and their workers and thereupon the Government of Assam referred the following two issues for adjudication :-

1. Whether the management of Itakhoolie Tea Estate was justified in declaring a lockout in the garden from 13 September to 25 September 1952 ?
2. If not, are the workmen involved entitled to wages for the above period ?

The Tribunal held that the lockout was unjustified. As for wages it ruled that only those workmen (402) who had reported for duty on 13 September and had actually worked were to be paid for the day but none was to be paid for the subsequent days as no one reported for work. The workers appealed against this decision on the ground that as the lockout was unjustified they had a right to their wages for the whole period.

### **Judgement**

"The Tribunal has held that the manager's action in declaring the lockout was hasty and not justified. On this finding, the Tribunal was wrong in law in holding that the workmen were not entitled to compensation for this period of the lockout on the ground that they did not report for work during the period of the lockout. Lockout implies that the employer would not allow the workmen concerned in the dispute to work. The act of the employer, in declaring lockout amounted to an anticipatory breach of contract on his part. The workmen thereafter were not under any obligation to present themselves for work. Compensation



tion, therefore, cannot be refused on the ground that they had not reported for work and that is the only reason on which the Tribunal refused to award compensation. . . . All the workmen who had been locked-out, therefore, are entitled to compensation for the whole period of the lockout and at the rate of their total emoluments. (L. L. J. — 1954—II, pp. 717-719.)

## 2

(SUPREME COURT 19—11—1954)

**Right to Bonus***Muir Mills, Ltd. v. Suti Mill Mazdoor Union***The Question**

Have the workers a right to claim bonus for a particular year if during that year the company has suffered loss?

**The Facts**

During the year 1948 the Muir Mills, Ltd. made a profit of about Rs. 11,97,648—11—9. It paid 24½ per cent dividend on ordinary shares and also paid the workers the full share of their bonus at 4 annas in a rupee on their basic wages. During 1949 due to a number of causes the Company suffered a trading loss of about Rs. 5,00,000. A sum of Rs. 2,50,000 being the excess reserve for taxation was written back and a sum of about Rs. 10,00,000 being the amount of reserve transferred from the investment account was also brought in. An aggregate of Rs. 12,51,871—13—5 was thus brought into the balance sheet by those two transfers. The trading loss was deducted from this amount leaving

a credit balance of 7,49,308—11—7 and that amount was shown as the profit for the year 1949 in the balance sheet for that year. The balance which had been brought forward from the previous year was added thereto and a dividend of 24½ per cent was paid to the ordinary shareholders. The Company also paid *ex gratia* to the workmen bonus at the rate of 2 annas per rupee of their basic earnings making it clear that the directors had sanctioned the payment at that rate in spite of the Company having suffered a trading loss for the year, that it was being paid entirely at the discretion of the Company and was not related to or connected with any contract of employment of any worker.

The workers contended that there was more production in 1949 than in 1948 and that there was no reason to hold that the profit in 1949 was less than in 1948 and that the rate of bonus was wrongly reduced and asked that bonus for 1949 be paid at the rate of 4 annas per rupee on their basic earnings. The Workers' Union took up the matter and the dispute was referred to the regional Conciliation Board. The Conciliation Board by a majority decision rejected the contention of the Company and awarded a bonus of 4 annas per rupee to the workers. Against this decision the Company appealed to the Industrial Court which reversed the decision of the Conciliation Board. Against this the workers appealed to the Labour Appellate Tribunal which agreed that the Company had suffered a trading loss in 1949 but decided on considerations of social justice that the workers were entitled to their bonus at 4 annas per rupee especially when the shareholders had not only a reasonable return but much in excess

of that on their investment. Against this decision of the Labour Appellate Tribunal the Company appealed to the Supreme Court.

### **The Judgement**

After advertng to the meaning of the word "bonus" given in various dictionaries and in the *Corpus Juris* and also a number of decisions in England and America the Supreme Court held as follows :-

The expression "bonus" imports the conception of a boon, a gift or a gratuity otherwise described as an *ex gratia* payment. The word bonus has however acquired a secondary meaning in the sphere of industrial relations. It is classified amongst the methods of wage payment. It is usually intended as a stimulus to extra effort but sometimes represents the desire of the employer to share with the workers the fruits of their common enterprise. There are however two conditions which have to be satisfied before a demand for bonus can be justified and they are :

1. when wages fall short of the living standard ; and
2. the industry makes huge profits which are due to the contribution the workmen make in increasing production.

The demand for bonus becomes an industrial claim when either or both of these conditions are satisfied.

It is, therefore, clear that the claim for bonus can be made by the employees only if as a result of the joint contribution of capital and labour the industrial concern has made profits. If in any particular year the

working of the industrial concern has resulted in loss there is no basis nor justification for a demand for bonus.

The workers, not being members of the company, would not also have any right, title and interest in the reserves or the undistributed profits, which would form part of the assets of the company. The employee would in no event be entitled to any share or interest in the assets and capital of the company. A transfer of monies from these reserves or the undistributed profits would, therefore, not inure for the benefit of the workers. The shareholders only would be entitled to such profits.

On the accounts of each year being made up and the profits of the industrial concern being ascertained the workers during the particular year have their demand for bonus fully satisfied out of the surplus profits and the balance of profits is allocated and carried over in the accounts. No further claim for payment of bonus out of the reserves or undistributed profits can, therefore, survive. To admit the claim for bonus out of the reserves transferred to the profit and loss account would be tantamount to allowing a second bonus on the same profits in respect of which the workers had already received their full bonus in the previous year.

The result, therefore, is that the decision of the Labour Appellate Tribunal appealed against must be reversed and that of the industrial court, Kanpur, restored. The appeal is allowed with costs. (L. L. J. 1935-I, 1-7)

## 3

Definition of "Dependent" for compensation.

[MADRAS HIGH COURT]

*Vengubai Ammal v. Assistant Commissioner,  
Workman's Compensation, Madras.*

**Question**

Is a mother a dependent within the meaning of S. 2 (d) of the Workmen's Compensation Act if prior to the death of her son she had not received any benefit from him ?

**Facts**

Nagaraja Rao, son of Vengubai Ammal was without any employment for a time. Then he was employed in the Lower Bhavanisagar Project. Sixteen days after joining he was killed while on duty as a result of coming in contact with a live wire at the work-spot. His mother claimed a compensation of Rs. 2100, on the basis of the daily wages due to her son at the rate of Rs. 2-8-0 per day. The Assistant Commissioner rejected the claim on the ground that the woman was not a dependent within the meaning of S. 2 (d) of the Workmen's Compensation Act. He further denied that the man was on duty when he met his death. The Government contended that prior to the death of the workman the woman had received no help from him and, therefore, she could not be said to be depending upon him.

Vengubai argued that she was relying on the earnings of her sons for the running of the family as the salary of her husband was not sufficient for the purpose. She was, therefore, a dependent, she claimed.

### **Judgement**

Mr. Justice W. S. Krishnaswamy of the Madras High Court ruled for the woman. His Lordship held that to rely on the fact that by the time of his death, the appellant's son did not send to his mother any remittance and to show that she was not, at the time of his death, wholly or in part dependent on his earnings would be putting a very narrow construction on the meaning of the words 'dependent .... at the time of his death'. In this case, His Lordship said, it had been established that by reason of the paltry income which her husband (a village munsif) was getting, there was every reason to expect that the woman was dependent, partially at least, on the earnings of her son. That, in his view, was sufficient to hold that the woman was dependent, partially at any rate, on the earnings of her son. The actual payment before the death of her son was not necessary. An expected payment or a reliance by the mother on her son's income would be sufficient to bring her within the meaning of one who was partially dependent at the time of his death, and that was sufficiently established in the present case".

As for the second contention of the Government since the appellant's case was not disproved the Judge rejected it.

His Lordship therefore held that the Assistant Commissioner had erred on his conclusions on these two points, and setting aside his order, directed that the application be remanded to him for fixing the amount of compensation that the appellant was entitled to under the Act. (The HINDU, 16-3-1955).

**(BOMBAY HIGH COURT)****Permission to retrench Workers.**

**Textile Labour Association of Ahmedabad and  
their Workmen.**

**Question**

When an employer makes an application under section 22 of the Industrial Disputes Act (Appellate Tribunal) for permission to retrench workers, pending a dispute, can the Labour Appellate Tribunal lay down conditions in granting the permission sought?

**Facts of the Case**

The mills wanted to close the Comber Department in the Spinning section from August 27, 1954. As a dispute was pending before the Tribunal the mills made an application before the Tribunal (S. 22) to retrench the eight operatives in the Department. The Tribunal granted the permission, but subject to the condition that the employer should pay to the workers retrenched compensation.

The Association challenged this order before the Bombay High Court.

**Judgement**

The Chief Justice, Mr. M. C. Chagla, and Mr. Justice Tendolkar, basing their decision on a Supreme Court ruling held that the Tribunal has either to accord or withhold the permission sought, but has no jurisdiction to impose any conditions on the employer.

Their Lordships said that there was an objection to the Tribunal's order. The Supreme Court had in a recent decision taken the view that under the Section the only jurisdiction the Tribunal had was either to accord or withhold permission to discharge its workers and had no jurisdiction to impose any condition on the employer as a prerequisite for granting the permission. "This is exactly what the Tribunal has done," said their Lordships.

As a prerequisite to granting permission, the Tribunal had imposed on the employer the condition that he should pay compensation. Their Lordships remarked, "In our view, it is clear from the decision of the Supreme Court that in imposing any condition on the employer the Tribunal has acted without jurisdiction."

The Court set aside the Tribunal's order to the extent it dealt with payment of retrenchment compensation by the employer.

(TIMES OF INDIA 25—3—1955)

5

[SUPREME COURT 14—10—1954]

***Fundamental Rights and the Minimum Wages Act.***

*Bejay Cotton Mills Ltd. v. State of Ajmer*

### **Question**

The Indian Constitution permits all citizens "to practise any profession, to carry on any occupation, trade or business". Art. 19 (1) (g) But the Minimum Wages Act imposes on employers an obligation to pay



to their workmen a minimum salary fixed by the Government. Even when workmen of their own free accord are prepared to work for less than the fixed minimum the employers cannot avail themselves of their services. This restriction seems to take away the fundamental right granted by the Constitution. Is the Act, therefore, *ultra vires*?

#### **Facts of the Case**

It appears that sometime in 1950 there was an industrial dispute between the company and its labourers regarding enhancement of wages and the dispute was referred to an Industrial Tribunal. The Tribunal held that "the present earning capacity of the mill precludes the award of higher rates of wages and higher dearness allowances". The employees took an appeal to the Appellate Tribunal. Meanwhile the Government of Ajmer fixed the minimum wages in the textile industry as Rs. 56. The Appellate Tribunal in the mean time had sent the case back to the Industrial Tribunal for further investigation and the latter made its award by rejecting the wage fixed by the Chief Commissioner and fixed the minimum wages at Rs. 35/-. The Mills maintained that Rs. 56/- was altogether prohibitory and beyond their means and so they closed down the mills. This put out of employment 1500 labourers. The Company contends that several hundreds of workmen have approached them and requested them to open the mills expressing their willingness to work for Rs. 35/-. The Company is powerless, for to go against the Minimum Wages Act is a criminal offense and the wages fixed under that Act by the Government is Rs. 56/-. Both employers and employees plead that the Act takes away

their right conferred upon them by Constitution, Art. 19 (1) (g) and (6).

### Judgement

The Supreme Court decided that the Minimum Wages Act is not *ultra vires* of the Constitution.

In delivering the judgement Mukerjee J. *inter alia* said, "It can scarcely be disputed that securing of living wages to labourers which ensure not only bare physical subsistence but also the maintenance of health and decency, is conducive to the general interest of the public. This is one of the directive principles of State policy embodied in Art. 43 of our Constitution....If the labourers are to be secured in the enjoyment of minimum wages and they are to be protected against exploitation by their employers, it is absolutely necessary that restraints should be imposed upon their freedom of contract and such restrictions cannot in any sense be said to be unreasonable. On the other hand the employers cannot be heard to complain if they are compelled to pay minimum wages to their labourers even though the labourers, on account of their poverty and helplessness, are willing to work on lesser wages".

The employers may have no dishonest intention of exploiting labour but, continued his Lordship, "If it is in the interest of the general public that the labourer should be secured adequate living wages, the intentions of the employers whether good or bad are really irrelevant. Individual employers might find it difficult to carry on business on the basis of fixed minimum wages....That cannot be a reason for striking down the law itself as unreasonable.

"...In our opinion, the restrictions, though they interfere to some extent with the freedom of trade or business guaranteed under Art. 19 (1) (g) of the Constitution, are reasonable and, being imposed in the interest of the general public are protected by the terms of cl. (6) of Art. 19.

LLJ. 1955 — I, p. 125ff.

6

[BOMBAY HIGH COURT]

**S. 12 (6) of the Industrial Disputes Act, 1947.**

*The Government of Bombay v.*

*The Andheri-Marol-Kurla Bus Company.*

**The Question**

Does the expression "shall" in S. 12 (6) of the Industrial Disputes Act, 1947 impose on the Conciliation Officer only a duty or an obligation or confer upon him a power?

**Facts**

In a dispute between the management of the Andheri-Marol-Kurla bus service and its employees, conciliation proceedings began on 31 December, 1951 and ended on 12 June, 1952. In the meantime the Company dismissed from service an employee on March 18, 1952. Consequently the Company and its manager were charged under S. 33 of the Industrial Disputes Act. Before the Chief Presidency Magistrate the defendants pleaded that there were no valid proceedings on March 18, and therefore, no offence had been committed. It was contended on their behalf that under the

Act, it was obligatory on the conciliation officer to conclude the proceedings within 14 days. If the proceedings were protracted beyond that period, they became invalid. The Chief Presidency Magistrate accepted the plea and acquitted them. The Government appealed against this decision.

### **Judgement**

Their Lordships — Mr. Justice Gajendragadkar and Mr. Justice Vyas — referred to the word "shall" used in S. 12 (6) and said that in dealing with the question as to the effect of the use of imperative words very often distinction was sought to be drawn between cases where the statute conferred upon a public officer a power and where it imposed only a duty or obligation. They held that this S. 12 (6) of the Act imposed only a duty on the officer.

The scope of the Act and its objects favoured this construction of the section that would not invalidate the proceedings which lasted more than 14 days. "If the view of the lower court were upheld it would lead to the unfortunate result that in a large majority of cases, conciliation efforts were bound to fail. However quick an officer may be and however responsive both parties to the dispute may be, it seems very unlikely that within the statutory period of 14 days, many industrial disputes can be settled. If that is so, then a construction which makes the officer's work almost impossible, should, we think, be avoided if it can reasonably be done.

Hence the Court held that the section imposed only a duty or obligation on the officer and his failure to

comply with that would not invalidate his subsequent action.

The defendants were found guilty and were fined.

(TIMES OF INDIA, FEB. 12, 1955)

F. C. Rodrigues

## Wages

In an article in *America* (5-2-'55) on the "Anti-Communist Record of the Catholic Press", Donald J. Thorman concludes that while the Catholic press is top dog "when it comes to sniffing out the dangers of communism.... it does not seem to have adequately fulfilled its 'foremost duty' of presenting positive social doctrine."

This holds true not only of the American press but of others too. It must be admitted that it is much more exciting to track down wild and dangerous animals than to perform the positive but unexciting job of ordinary cultivation. Moreover, 'positive social doctrine' is not everybody's meat when most people seem to prefer a very much lighter fare.

Yet all will admit that it is of little use trying to decide what is the right and wrong in a given case unless we know the principles along which a just solution is to be found. And so before discussing wages in India we give in outline the Catholic theory of wages, as a revision for those already well versed in this doctrine, and as an introduction for others, hoping that what we write may be of use later on in study circles and action groups. It is worth noting that the Catholic demand of a family wage has in various forms

received large acceptance throughout the world ; it is to be hoped that it will become better known in India as a prelude to its full adoption.

Since it is a very legitimate gripe that social theorizing without local application is of little use, we shall follow up the theory with a study of wages in India, using both Governmental reports and an Enquiry made by ourselves.

### **Theory of Wages**<sup>1</sup>

Wages are a determined sum in remuneration for work, paid independently of risks run by the enterprise. We are discussing what wages are and ought to be in the *present* Indian mixed economy or capitalist regime (since *talk* about socialism does not change the present Indian set-up, which is undoubtedly capitalist).<sup>2</sup> And we have to find out what are the norms for judging

1. In treating of theory we have made generous use of Fr. J. Villain's excellent *L'Enseignement Social de L'Eglise*, T. 1—111, Spes, Paris. Those who can, will profit greatly by reading this book. Cf. also J. F. Cronin, *Catholic Social Principles*, pp. 337-403 ; J. Messner, *Social Ethics*, pp. 759-769, 800-811, 901-908 ; and other standard works.

2. When the evils of capitalism are pointed out, it is common to receive the retort that the writer is beating a dead horse since such evils belong to a capitalism long dead and gone. Whether this claim can be substantiated or not for a few 'advanced' countries we do not wish to discuss here, though the supporters of this claim would do well to find a new name for their economy since the very name 'capitalism' stinks. But there can be no doubt whatsoever that many of the evils of capitalism exist in India today, and in this context nineteenth-century *Rerum Novarum* has many applications to twentieth century India.

wages and what standards they must pass if they are not to be judged unjust.

The wage contract, i.e., payment of wages for a fixed amount of labour is not unjust in itself Q.A. 71, 109<sup>3</sup>. Not that all wages and profits are just, but remunerating the worker by wages and the employer (shareholder, etc.) by profit is not unjust in itself, though when possible it should be modified by a contract of partnership, Q.A. 65.

### **The Wage Contract<sup>4</sup>**

In the evolution of the wage theory various expressions have been used which do not always make for clarity, and even today it is not easy to find uniformity amid a welter of phrases: 'a just wage', 'a living wage', 'a decent wage', 'a fair wage', 'a minimum wage', 'a family wage', etc. Is a living wage a family wage, and is this the same as a just wage?

We shall adopt the following terminology: "By the term *living wage* we understand a wage sufficient not merely for the decent support of the workingman himself, but also of his family. "American Hierarchy, *Church and Social Order*. A living wage is then a *family wage* which is such "as will enable every head of a family to earn as much as, according to his station in life, is necessary for himself, for his wife, and for the

<sup>3</sup> *Rerum Novarum*, R. N. Quadragesimo Anno, Q. A., Divini Redemptoris, D. R. (Atheistic Communism) Reference to these is by paragraph and to the editions published by the Catholic Truth Society (London) and the Catholic Social Guild (Oxford).

<sup>4</sup> Villain, *op. cit* 1, 93.

rearing of his children..." Pius XI, *Christian Marriage*. A family wage must satisfy not only present needs but future ones also for justice is not satisfied "as long as they (the workman and his family) are denied the opportunity of acquiring a modest fortune and forestalling the plague of universal pauperism ; as long as they cannot make suitable provision through public or private insurance for old age, for periods of illness and unemployment." Pius XI, *On Atheistic Communism*. "In other words, a saving wage constitutes an essential part of the definition of a living wage." American Hierarchy, *Church and Social Order*.

Generally speaking, a *just wage* will refer to a living wage, i.e., a family wage ; in this meaning the *Code of Social Principles* says that : "A living wage... is the least wage due in justice from the employer." (136).

Where sufficient to support in decency only one person, it is known as individual wage. The prefix 'Minimum' indicates that it is the lowest tolerable wage in that category. In all cases attention must be paid to the context in which the expression occurs.

When a workman makes a wage contract, what is the exact nature of that deal ? Is the object of the contract (1) his abstract activity, his power to work (thus Marx summarising a common opinion of his day), or (2) the exercise of the power to work, or (3) the fruit of his activity, the *result* of his work ? If (1) then the contract is similar to that of buying and selling — the employer buys *living* labour which is put on a par with merchandise to be bought at its market-price. Here we have an expression of the pitiless individualis-



the capitalism common in the West last century. If (2) it is similar to a contract of a hiring by which the worker hires out his work and services. If (3) it is a contract of buying and selling, not the work or power to work, but the *product* of labour. Both employer and employee have rights over the product since both collaborated to produce it. The worker cedes his for his wage. So in (1) wages are the price of human activity, in (3) they are part of the price of the product, while (3) adds to (2) the notion of sharing in the profits. Cf. Q. A. 53-55 where a just distribution of profits between employer and worker is advocated. Obviously, (3) safeguards human dignity best.

The thought of Q.A. seems to be that the wage contract should supply two elements: (1) remuneration of work; (2) a just share in the profit proportional to the value created. (1) corresponds to the support of the worker; (2) corresponds to the benefits which hypothetically should come to him (i.e. if business goes well.) "Thus in reality, even in a regime of wages, capital has not *naturally* the right to all the profit, but to a part only."<sup>5</sup> Therefore an economy centred on profit is legitimate only if profit does not become the supreme end of that economy, otherwise man is subjected to the domination of Money. Profit should be the *motor* of the economic system, nothing more.

### **Progress of Doctrine**

At the time of the publication of R. N. (1891) wages were considered as an individual contract bet-

<sup>5</sup> *Ibid.*, p. 99.

between employer and employee, and in the contest of the survival of the fittest the well equipped employer always won. The worker was forced to choose between his employer's harsh terms and destitution. The axiom "To each according to his work" expressed the individualistic, selfish capitalism of the day. Whether he was a father of ten or a bachelor, the worker received the same pay (as in India today). It is not perhaps surprising that Marx, having before his eyes the miserable condition of the workers, promised them a better land where each would work according to his ability and receive according to his needs.<sup>6</sup>

Leo XIII attacked this so-called "system of natural liberty" of "enlightened self-interest" which had placed its trust in the power of unshackled competition. Though it did increase wealth, it brought about a great gulf between the haves and the have-nots, the powerful crushed the weak and set up an economic despotism that was even more cruel and far reaching in its effects than any military despotism had ever been.<sup>7</sup>

Leo XIII was the first pope to give the papal teaching on wages. R. N. 34, 35, mainly treats of the mini-

<sup>6</sup> Working conditions in Europe at the beginning of the nineteenth century sound unbelievable today. Even children not yet in their teens were forced to work 12-14 hours a day, while their parents worked 16-18 hours. One employer calculated that children employed to collect waste crawled as much as 20 miles a day to do so. No wonder they ate and slept by the side of the machines, being often too exhausted to return to their slum homes.

<sup>7</sup> For a short exposition of the background to R. N. see *Leo XIII and the Social Movement* by L. Watt, s. j.

minimum wage which, out of justice, should provide the worker with the means of living a decent human life according to his social status. Commentators are divided as to whether this minimum wage due in justice is the family wage or not. We cannot enter into this controversy, but the prime purpose of Leo in speaking of a just minimum wage "was not primarily to decide how much that wage is, but . . . to refute the common idea that wage-justice is violated only if the employer defaults in payment of whatever wage the employee has agreed to accept".<sup>8</sup>

It is normally by his work, argues Leo, that man must live, and Providence gives the necessary strength for man to so support himself. This being the case, two consequences follow: (1) an employer must pay wages sufficient to meet the needs of the worker. (An average worker doing the average amount of work.) This much is demanded in commutative or strict justice. (2) Since a worker must live in a manner becoming a human person, he has the obligation to demand a wage enabling him to do so. It further follows that neither the employer nor the employee is free to fix wages arbitrarily because both are ruled by a norm which is above either of the contracting parties.

If this minimum wage is not given, then Leo advises unions to use their influence to obtain it. The State is only to intervene as a last resource.

As can be seen, Leo did not give a complete doctrine, but only indicates a minimum below which wages

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<sup>8</sup> L. Watt, *s. j. Christian Social Reform*, p. 10.

should not go. For further developments we have to turn to Pius XI.

### **Pius XI**

Though conditions had changed much since R. N., many of the evils of capitalism were still strong when Q. A. was published in 1931. The growth of joint-stock and holding-companies had concentrated enormous wealth in the hands of the directors of industry while the ordinary share-holder, if at all interested, was powerless. This economic power gave rise to a financial despotism through the banks which controlled finance and which thus had a strong influence upon political policy, upon legislation, government and even upon armed conflicts between nations. Combined with economic and financial despotism, or rather, a natural result of this power, arose economic imperialism by which one nation tried to obtain a monopoly of foreign markets and raw materials. Profit in foreign transactions became an end in itself.

Thanks mainly to the influence of well-organised unions, the workers had improved their position since R. N., but the old individualism was still strong and much improvement was still to be desired. Furthermore, at the time of the publication of Q.A. the world was in the grips of the worst economic crisis known to modern times, unemployment was widespread and the workers, always the first to suffer, in dire distress.

Pius XI put the problem of wages in a larger setting. The roles of employer and employee cannot be considered in a vacuum; it is a question of men with rights and obligations living in present-day society

with its social, political and economic repercussions. Wages are not only a question of commutative justice between individuals, but of distributive justice also, involving reciprocal relations between the individual and the group, community and State. The goods of the earth are for all men; therefore a just distribution of wealth is demanded, which, for the majority, can only be achieved through just wages.

Pius considers three points: (1) the needs of the worker; (2) the conditions of industry; (3) the demands of the common good. Cf. Q.A. 63 ff.

### **Needs of the Worker**

Q.A. 71 "the wage paid to the working man must be sufficient for the support of himself and of his family." Cf. D.R. 51, 52, *Casti Connubii*, passim. Other members of the family should also "contribute according to their power towards the common maintenance," but every precaution should be taken to see that children attend school and mothers are not forced to go out to work because "of the insufficiency of the father's salary...." The worker should be able to save, during periods of prosperity, for future necessities and contingencies. The normal work of the members of a family ought, as a minimum, to allow it to live decently throughout its existence. Allowance being made for help from other members of the family, every adult male worker ought to get enough wages to meet family needs.<sup>9</sup>

Since the labour-wage problem has both its personal and social aspect care must be taken lest by

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<sup>9</sup> The question of family wage will be taken up again later.

aiding one party, another suffers serious harm. The economic adjustment of wages is then by no means easy. An excessive raising of wages will usually increase cost prices, cause a fall off in sales, consequently in production and finally result in unemployment. Lowering of wages will usually reduce cost prices, aid sales and consequently give a fillip to production. But it also reduces the purchasing power of the workers as consumers, and thus sets in motion the chain of fall-off sales, of production, and finally results in unemployment.<sup>10</sup> We are having an experience of this latter phenomenon in India when, owing to two good monsoons and increased irrigation, the price of food crops has fallen heavily, thus seriously affecting the agriculturist. Though cheap food is a blessing in country where the majority do not get enough, should there be a serious fall in the wages of the agriculturist, who form the majority of the population, their purchasing power is lessened, and, in the long run, industrial workers will be liable to suffer unemployment.

Generally speaking, lowering of wages affects the health of the worker and his family, makes saving impossible, increases bad housing conditions and all

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<sup>10</sup>. In the Middle Ages economic ills were regulated by the "just price" which in conjunction with regulations made by the guilds controlled both profits and wages. Today economy is dominated by *gain*: buy cheap and sell dear. In such a system, owing to the clash of interests fighting for supremacy, the pendulum swings rapidly between overproduction and underproduction. No economic equilibrium is possible where "enlightened self-interest" holds sway; hence economy passes from crisis to crisis — the last 150 years have seen a crisis about every ten years.

the evils attendant upon them. Higher wages, on the other hand, not only aid better health and living conditions, but increase buying power because workers form the greatest percentage of consumers.

What is needed is a harmonious proportion between wages and prices. If wages continually change, so too do prices. Wage changes rarely affect employers alone since they usually pass along an increased wage bill to the consumer in the form of higher prices. A further consideration is that "The single man benefits more from a wage increase than does the family man if the end result is an increase in prices. The family man is penalized in multiple fashion with every increase in prices. . . . The first requirement. . . is that the lowest paid workman be the first to receive an increase of wages and simultaneously that prices be not raised but excessive profits reduced. The ultimate aim, therefore, must be a reasonable relationship between different wages and a reasonable relationship between the prices obtained for the products of the various economic groups." <sup>11</sup> (As will be seen later, wages in India are pitifully low; the problem is how to raise them without at the same time bringing about a substantial rise in the prices of essentials, a move that would defeat an increase in wages.)

Wages should provide security against risks because the wage contract is of that nature. A wage contract is essentially a contract of the exclusion of risks, a contract of security, since it is to enjoy this security that the worker forfeits his share in the

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<sup>11</sup> American Hierarchy, *Church and Social Order*.

profits. (Cf. A. Boissard in *Semaine Sociale*, 1907) This, of course, does not exclude the later development of profit sharing and co-partnership where the claim to profits is based on broader social and moral obligations than those based exclusively on the wage contract.

Catholic teaching demands social security for the worker whether this security is provided directly by the State, or by industry, or partly by both.

### **Conditions in Industry**

"If...the business does not make enough money to pay the workman a just wage, either because it is overwhelmed with unjust burdens, or because it is compelled to sell its products at an unjustly low price, those who thus injure it are guilty of grievous wrong; for it is they who deprive the workers of a just wage, and force them to accept terms which are unjust."

Q.A. 72 Since the individual employer is often at the mercy of economic factors (the price of raw materials, etc.), the leaders of national and international economy should take the necessary measures to make the paying of a living wage possible. Where this is possible, according to J. Villain, employers paying a lower wage sin against justice; and they would certainly sin against commutative justice (and consequently be bound to restitution) if they paid less than the individual minimum of R. N. According to the same author they would *very* probably sin against commutative justice and *certainly* against social justice if they do not pay a family wage. They would probably sin against commutative justice, and *certainly* against social justice, if they did not give the social part of wages (the pro-



tection against risks owing to a fall in profits. *v.g.*, an employer would sin in this way if he lowered wages whenever his profits were less).

When economic conditions are such that proper wages really cannot be paid, even then, only in a case of extreme necessity, can the employer be excused from giving less than the minimum living wage. In other words, *no profit is legitimate till a living wage is paid*—a thought that is very far from the minds of most of our industrialists. "Profit can be legitimately sought only in the second place, and never to the detriment of the subsistence of the worker." (Card. Liénart, March, 1950) Nor can injustice be covered up by a specious charity: "a charity which defrauds the worker of his just wage is no true charity, but a hollow name and a pretence; doles given out of pity will not exempt a man from his obligations of justice." D. R. 69.

If an employer is unable to pay sufficient wages, his obligation to do so does not disappear. He must try to change economic conditions for the better, and in these matters much can be done by big industrialists, combines, joint-stock companies, and cartels. Hence they have a far greater responsibility than a small individual employer.

When an industry as a whole is doing well but a few concerns are doing badly due to bad management, this must not be made an excuse for not paying a family wage. But if through no fault of the management a particular firm is doing badly, then it is not obliged to pay a family wage. But all, both employers and workers, must cooperate to overcome the difficulty.

If a whole industry goes into a slump, the culprits may be, though of course not necessarily so, the heads of the industry through negligence or bad will; or they may be all the major shareholders by demanding too great a dividend; or it may be the State by heavy taxation, through not intervening when it should, or by intervening when it should not. In each case the guilty party must strive to set matters right.

### *The Demands of the Common Good*

"Finally wage rates must be regulated with a view to the economic welfare of the whole people." Q.A. 74. As pointed out above the wage rate must be correlated with the needs of the worker, of the consumer, of industry and of the general economic situation. "To lower or raise wages unduly, with a view to private advantage, and with no consideration for the common good, is therefore contrary to social justice, which demands that, so far as possible by concerted plans and union of wills, wages be so regulated as to offer to as many as possible opportunities of employment, and of seeking for themselves suitable means of livelihood." Q.A. 74. Therefore there must be a proper proportion between the wages of different classes of workers (if textile workers get a rise which is translated into prices, then agricultural workers suffer when they buy clothes); between the wages of men and women; between employers themselves for "it frequently happens nowadays, . . . that individual employers can only observe justice in the payment of wages on condition that all of them pledge themselves by agreement to a like observance, and this they do by forming employers' associations with the object of avoiding competition prejudicial to the rights of the workers." D. R. 73.

"A proper proportion between different wages.. is intimately connected (with the) proper proportion between (the) prices charged for (the) product." Q. A. 75. (Cf. also Pius XII, Pentecost, 1941, Christmas, 1942). It follows that shareholders must be restrained in demanding greater profits, workers in demanding more wages and consumers in demanding cheaper goods. All must take a global view of the situation — not an easy attitude to take up — and put the common good before private gain. And though there are many elements to be considered among the exigencies of the common good, it should never be forgotten that "the demands of social justice will not have been met if it is not within the power of workers to earn a wage providing a secure livelihood for themselves and their families; if they cannot accumulate a modest fortune insuring themselves against that widespread poverty, which, like a running sore, afflicts so great a part of the human race; and if measures are not devised in their interests enabling them, either through public or private insurance organizations, to make provision for old age, sickness and unemployment." D. R. 72. We are still a long way from this standard in India and while reflecting on this we can add another allied and unfortunately often overlooked consideration: "These goods (which each should possess) should be sufficient both to supply all necessities and reasonable comforts, and to uplift men to that higher standard of living which, provided it be used with prudence, is not only of no hindrance, but is *of singular help, to virtue.*" Q. A. 75. It is not by chance that the middle class are the most steady going in the practice of virtue.

**Wages First**

Some concrete examples instanced by the French Hierarchy, who have had frequent occasions since 1945 to speak on labour problems, further develops the teaching of Q. A.<sup>12</sup> The reader will readily see the application to India.

For the French Hierarchy a *just wage* is that which enables a worker to support his family and to save up to buy some private property ; in other words, a saving, family wage.

During the 1947 French strikes Mgr. Ancel declared that employers are bound to give a living wage: "Otherwise, they rob the worker and are bound to restitute.... This obligation is imposed in such a way that legal enactments which would dispense from it, have no binding force in conscience.... I repeat : every employer (State or private enterprise) is bound to give a living wage to their workers.... Only an absolute impossibility could dispense from this obligation."

Mgr. Ancel holds that the right to a living wage is a strict right, i.e., binding in commutative justice ; a right the worker cannot renounce. Should necessity or fear make him do so, then he is the victim of unjust exploitation. After remarking that he does not want to determine who is responsible for the fact that a living wage is not given, he adds : "A country in which the workers do not receive a living wage is in a state of sin." A strong condemnation indeed ! What of India ?

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<sup>12</sup>. Cf. J. Villain, *op. cit.* vol. 2.

During the 1950 strikes Card. Liénart stated that the lowest salaries must be raised to at least the cost of living so that a living wage is paid—natural justice demands that this be done. "An economic system", he said, "which did not guarantee a livelihood in exchange for work, would be neither just nor human".

The Archbishop of Marseille pointed out that what is human has priority and thus investments must be secondary to the paying of a suitable wage. What proportion of the national revenue must go to wages? What part to investment? What to replacement and future needs? While it is true that goods are meant not only for the benefit of this, but also of future generations, before providing what is superfluous and unnecessary for future generations, what is necessary must first be given to the present generation. This applies especially to heavy expenses which could be postponed, *v.g.*, the latest offices, sumptuous fittings, not to speak of luxurious villas, etc., for the directors.

There is need for an international agreement to work out a plan to make the paying of a family wage possible. Consequently there should be no undue competition from very rich countries making it very difficult or even impossible for poorer countries to pay a family wage.

#### ***To raise or not to Raise***

When wages in the lower bracket are too low, it is obvious that they must be raised. But, say the pundits, this involves raising all wages on a sliding scale, a procedure which is economically impossible. So, they argue, wages must remain as they are. More-

over, the pundits cunningly add, a hierarchy of wages aids production, initiative, etc., etc.

The French hierarchy (in 1950), while admitting that *all* wages cannot be raised, claimed that while there are wages below the minimum, the scale of wages must be adapted to meet the fundamental rights of all to a living wage. If a rise in prices, argues Card. Liénart, and/or a rise in wages is impossible, then wage earners in the higher brackets must make a sacrifice for the common good. Social peace can only be obtained by fostering a feeling of solidarity. And it is not only the workers, but employers and shareholders also who must make the sacrifice.

N.B. Wages in this new context are no longer an individual question only, (i.e., of commutative justice only), but of the solidarity of all workers in all countries at all times. The supply of raw materials, tariffs, import and export policy, etc., affect directly or indirectly workers throughout the world. This outlook is a great progress on the selfish individualism which was so strong last century and which has still got many strongholds today. It is the hope of the future to consider wages and the labour problem in its larger social and global aspect. Failure to do this can only bring greater ruin and catastrophe.

A. Nevett

(To be continued)

## *Social Activity*

### **Conferring of Certificates**

On Sunday, March 13th., in St. Xavier's College Hall, Mr. Dinker Rao Desai, Bombay's Minister of Education, conferred certificates on some 50 successful students of the two Courses in Social Service and Labour Relations.

Fr. J. Sanmarti, the Director of the Course in Social Service, said that this was the first time that students trained for social work in St. Xavier's College were receiving certificates of merit. He sketched the beginnings and the growth of the course in social service and dwelt at length on the difficulties that had been overcome and were still to be overcome, especially of securing suitable places in social work institutions where the students could be sent for their field work under trained supervisors. But thanks to the generous co-operation of the members of the staff and their influence in social work circles, they had succeeded in providing the students with specialised knowledge in Child Welfare and Child Delinquency.

Besides this normal type of training, there were also the camps, one in a rural and the other in an urban area, where the students were brought face to face with the realities of the Indian social situation, and were taught to tackle the social problems of under-developed countries. A mere imitation of foreign methods of training would never suffice.

Fr. A. Fonseca, the Director of the Course in Labour Relations, presented the second annual report of the course, and said that this year 84 students were enroll-

ed. In selecting students, preference was given to those who actually engaged in trade union activity, especially as presidents of the union, or general secretaries, or members of the managing committee. The purpose of the course was to train well-informed and well-prepared labour leaders who would be able to give of their best to the uplift of the working classes. As many as twenty-four Labour Unions working in the city of Bombay were represented at the course during the year under review.

The Director stated that the average attendance at lectures which were held thrice a week from 6 to 8 o'clock in the evenings, was about 60% all through the term. At the end an examination was held; out of the 50 students who sat for it, 36 were successful, three of them passing with distinction.

The lecturers once again gave their services free of charge in spite of the time and trouble involved. All of them are busy men but they were determined to help in the course out of a sense of duty both to the men they trained and to the labour movement as a whole. Any success the course may have achieved must be attributed to them.

Fr. Fonseca was able to arrange for some interesting lectures delivered by well-known guest lecturers. Mr. V. K. R. V. Rao, Director of the Delhi School of Economics, spoke on 'Trade Unions in the National Economy', Prof. Charles Myers of the Massachusetts Institute of Technology, U.S.A. on 'Labour Unions in America', Mr. Clifford Fee of the I.L.O. on 'Training-Within-Industry' scheme, and Dr. J. N. Agarwala, Regional Director of the Employees' State Insurance Corporation on the 'State Insurance Scheme' in Bombay.



Mr. Dinker Rao Desai, in his presidential speech congratulated the authorities of the College on the excellent work done in training both social workers and labour leaders. The country needed such trained workers to cope with the enormous problems that faced it especially in the social sphere. He promised the faculty that his department would keep in touch with them and bring to their knowledge the social needs of the city for their co-operation was greatly welcome. In the same way, trained labour leaders were a necessity nowadays, when the country was being rapidly industrialised. He exhorted the students to work sincerely for the uplift of the poor and the workingman.

***Social Service League, St. Aloysius College, Mangalore.***

If any one wants to know what our students are capable of and willing to do for social uplift of the country one has only to take up and go through the Seventh Annual Report of the Social Service League of the St. Aloysius' College, Mangalore, which has just been published. It is a fascinating story of great achievements of which any league may justly be proud.

The League has a membership of 251 active members, all volunteers. All the activity is controlled, directed and organised by an elected working committee made up of 22 students and 6 professors. This group meets at frequent intervals to discuss and map out the various activities to be undertaken by the different groups. A notable feature of these meetings is the frank discussions and constructive criticism contributed by the members. Much of the success of the League must be attributed to the thorough planning of the Committee. Besides making the league do its work

successfully these meetings afford an excellent training to future leaders.

The League does not believe in work alone. A sound knowledge of principles and methods is absolutely necessary for any work to be a lasting success. With this view a Social Service Diploma Course is conducted by the College. Lectures are given twice a week and the course of lectures and field work extend to two years. Those who have attended 80% of the lectures are permitted to take the test at the end of the course. The main subjects treated at the course are: Social Problems and Rural Economy, Trade Unionism, Labour Laws, Industrial Relations, Medical Aid and Rural Extension Services.

Among the chief activities of the League we may single out the following: Adult education, poor relief, slum clearance and manual work. The S.S.L. conducts six Night Schools which have a total enrolment of 360. The student teachers put in 136 days of work during the course of the year, which to say the least, is highly commendable. The student teachers often have to make great sacrifices to fulfil their voluntary obligations.

Another activity which is worth remarking is heavy manual work in which the students engage themselves three to four hours a week. Groups of students have been going out to certain outlying villages, which very often meant a walk of four to five miles, under all kinds of weather conditions, to build roads for the neglected villages. Those who had the privilege of watching these young volunteers at work have nothing but the highest admiration for them.

The highlight of the year was the feeding of the poor on Independence Day, 15 August, 1954. Over 2000 beggars were treated to a sumptuous dinner by the leaguers. The planning, the getting things together, the cooking, the serving and the final cleaning up was all done by the members of the league with the assistance of their Professor leaders.

The S. S. C. has been able to finance all the projects through donations from the public and through various means adopted by it to raise funds. The League even contributed the tidy sum of Rs. 922—11—0 for the Prime Minister's Flood Relief Fund.

We wish our young Social Workers every success in the year ahead of them.

***Social Service League, University College, Trivandrum.***

We thank the secretary of the League for kindly sending us the annual report. The League has a membership of just over a hundred students and is directed by two capable Professors.

Seeing the sad plight of a large number of children, boys and girls, who owing to lack of means are not able to go to school, the members of the Social Service League have been collecting them and teaching them the three Rs. Already people have begun to notice a great change in these urchins.

Another remarkable thing done by the League was the collection of over 2000 pieces of old clothes which were distributed among the needy in the slum areas. In many cases poor students of the college also have profited.

The League took part in the Camp organised by the University. The biggest contingent in the camp belonged to this League who gave a very good account of themselves both in the matter of running the camp and putting in solid work. No wonder the members won high praise from the authorities.

Much is done but much more remains to be done. May God give these young men and women strength and courage to do their little bit for the amelioration of the lot of the poor and down-trodden.

#### **Poona Women's Council**

A brief report of the activities of the Council has reached us. The members are voluntary social workers, among whom are several Lady Doctors. Much good work is being done through the out-patient dispensary and nearly 8400 patients were treated last year. A Child Protection Week was held from January 25th to January 31st., and the proceeds were handed over to the District Probation and After-Care Association. Milk was regularly distributed to under-nourished children and expectant mothers of the locality. Some of the members pay weekly visits to see to the needs of the patients in the nearby mental hospital, while others conduct a children's school in Kadakavasla. Some poor and destitute cases are provided for financially. Unfortunately the poor patients, through the misguided zeal of some of the members, are also given contraceptive material at cheap rates. It is a pity that this negative and immoral approach to the problem of economic sufficiency and social uplift should be patronised by the Council, when so much good work is being undertaken by the members.

F. C. R.

## Social Survey

### Prohibition

One of the subjects which has attracted much attention in all the budget discussions in the various States is the policy of prohibition. Those States which have introduced total prohibition have announced their firm intention of continuing the experiment and making its observance more stringent. States which have not yet gone in for total prohibition have decided to wait till the report of the Agarwal Committee, appointed by the Central Government, is out. West Bengal feels that the financial burden involved would be too great for its strained economy.

Recently the Madras paper published an illuminating letter sent by the Government of Madras to the Secretary, Planning Commission, New Delhi, on the working of the Prohibition Act in the State. It is bluntly admitted that prohibition has not been a great success; on the contrary the incidence of crime is on the increase and illicit distillation is fast becoming a State-wide lucrative business. We shall give a few extracts from this interesting document.

"Illicit distillation is the chief menace," states the letter. "During the initial stages of prohibition there was not much illicit distillation in the State. With the progress of time demand for liquor increased, and consequently, illicit distillation began to spread to new areas. It is now considered a lucrative commercial business. Some of the influential people invest capital, employ labour, manufacture arrack and carry on regular trade." The Government is well informed of the places where the distillation is carried on and the various methods used by these traders. "Distillation takes place in Government *peramboke* lands, hillocks, dense forests and river beds." The bootleggers "have been adopting ingenious methods of transport through cycle tubes, vegetable baskets, milk-cans, water-bottles, air-pillows, etc."

And where does all the illicitly distilled liquor go to? "Most of the liquor is intended for urban areas where it is in great demand among manual labourers and workers employed in industrial concerns."

The public is no more enthusiastic. "During the initial years the public were enthusiastic about its success. Their interest has gradually waned. They are disinclined to give information of offenses which would send to jail one of their neighbours who has done no visible harm or injury to any one in particular. If at all anybody comes forward with information, it is due to reasons of private enmity with the offender or due to monetary considerations in the shape of rewards.

"In spite of total prohibition for nearly five years in this State, the incidence of crime is steadily increasing without much signs of decline. The offenses detected under the Prohibition Act rose from 67,750 in 1949-50 to 135,879 in 1952-1953. The incidence of crime is increasing day by day and consequently the detection figures also are steadily rising."

There is another evil that is very much in evidence. "Misuse of spirituous medicinal preparations as substitutes for alcohol is a very common occurrence in urban areas. In a few cases, there have been, even deaths due to consumption of spurious preparations. Many people who are charged for drunkenness contend in courts that they took non-prohibited medicinal preparations and thereby easily escape conviction. Varnish, French Polish and denatured spirits also are diluted and consumed by addicts."

But there are benefits too. "Prohibition is no doubt a socio-economic reform. It is a long range policy and any far reaching results cannot be expected in a short period. The condition of such addicts who have completely abstained from drinking has definitely improved socially and economically. The one redeeming feature that is much in evidence in rural as well as in urban areas is that there are no street brawls, no

beating of wives and female relations by men addicts and similar unfortunate incidents...."

The Government proposes the following measures to make prohibition more effective :

1. Better and more effective propaganda against illicit distillation.
2. Amendment to the Prohibition Act to make the provisions more stringent. One of the proposals is to make grave offenses against prohibition non-bailable. There will be minimum limit on fines and terms of imprisonment.
3. To grant rewards to individuals and villages who help in the detection of crimes against the Prohibition Act.

The Government of Madras will have many to agree with its findings.

### Crime

While some States announce a decrease in the incidence of crime others have their hands full. In parts of Madhya Bharat, U.P. and Pepsu hundreds of armed policemen are busy chasing a few Robin Hoods who seem to have developed some extraordinary prenatural powers which enable them to slip out of iron rings thrown about them by the custodians of law and order. Though casualties among the police have amounted to an appreciable figure they must be thankful for the excellent training they are getting in jungle warfare.

However much the law-breaker may dislike the policeman he is nevertheless an indispensable commodity. Recently published statistics show that Rajasthan has relatively more policemen than U.P. The ratio of policemen to population works out as : Rajasthan 2.08 per thousand citizens, Bombay 1.8, Saurashtra 1.75, Pepsu 1.56, Vindhya Pradesh 1.07, Madhya Pradesh 1.06 and U. P. only 0.87.

The West Bengal Government has increased the pay of its constables; Bihar has granted certain travel concessions. A college to train detectives will be soon set up.

### **Air-Employees**

The fight for better pay and working conditions still continues. A pilot officer of the A. I. C. has gone to court to fight for his pre-merger pay and allowances which was higher by several hundred rupees. The outcome of the suit is awaited with keen interest by his fellow workers. The employees are restive. One can only hope that their just demands will be met and those who must board A. I. C. planes will have nothing to worry about the human element.

### **Salaries and Amenities for Officers**

The Bombay Government has decided that no officer in their service will be paid more than Rs. 2300 per month, i.e. more than 30 times the salary of the lowest paid government employee. How that measure is going to satisfy the poor chaprasi who must try to make both ends meet on a salary of Rs. 75/- per month is not clear. The higher-ups may be more easily drawn to the Private Sector where a demand for executives is great and salaries more attractive.

In a recent order the Government of Bombay has ruled that officers drawing less than Rs. 500/- per month may not possess motor cars. It is feared that these officers may have recourse to unfair means to run their automobiles. But in fairness to the Government it must be said that they are not altogether oblivious of the needs of its subordinates; they will be permitted to own ponies or tongas. This last directive, if adopted, will solve the unemployment problem to an extent as a large army of workers will be needed to grow and gather fodder for the ponies, to rub and scrub them, and to cope with the new traffic problems arising out of official ponies prancing about on public thoroughfares. Nothing has been so far said about the parking problem!



## Railway Fares

So far the talk was only about telescoping railway carriages in the not infrequent accidents. Hereafter we shall have telescoping fares too. In spite of concession made to III class travellers, up to fifty miles by passenger trains, the common man whose journeys are usually limited to a radius of some 100 odd miles will soon discover that these telescopic fares have very much the same effect on his purse as have the telescopic carriages on the unfortunate passengers caught in them. Actually only those who travel more than 600 miles will pay less than before the new rates were introduced. Take, for instance, a passenger who travels from Poona to Madras by the new First Class. For the first 150 miles he pays at the rate of 18 pies i.e. 2 pies per mile more than before. His surcharge on this first leg is Rs. 1-9-0. For the next leg of 150 miles he pays at the rate of 16 pies, same as before. After that he pays one pie less per mile. Our passenger will save for the 375 (the distance between Poona and Madras being 675 miles) remaining of his journey Rs. 1-15-0 but since he has already paid a surcharge of Rs. 1-9-0 for the first 150 miles his total saving will be just six annas on a journey of 675 miles! A person travelling by first class from Bombay to Calcutta via Allahabad, a distance of 1341 miles will save Rs. 3-12-0. It is not only the first class passenger who will pay more but also the second and third class passenger. After all the railway needs some extra funds to finance the frequent changes in the nomenclature of the accommodation!

## The Second Five Year Plan

In response to an invitation from the Railway Ministry all the States have submitted their requirements for new lines. The total new mileage envisaged is about 4000 miles. The total mileage so far demanded by the States is over 15,000 miles. There is going to be great lamentation in the State Assemblies when the award is announced.

## ANDHRA ELECTIONS \*

The polling is over and the results have been announced to the rise of some and fall of others. By the time we go to press a new cabinet will have been installed and President's Rule will have come to an end.

The United Congress Front has gained a victory far beyond its wildest dreams; 146 in a House of 196. The Communists are a pitiable lot; have won only 15 seats and lost 144 they contested. Their defeat is all the more humiliating to them as they had gone about quietly whispering that Andhra would be their first electoral victory.

If we turn from the number of seats won to the number of votes polled by the various contending parties we see a slightly different picture, a picture which will afford matter for a little sober reflection. The U.C.F. has won the elections but it will have to travel a long way before it will be in a position to announce a total conquest.

Out of the total of 8.6 million votes cast as many as 2.7 million, i.e. a nearly 31% went to the Reds, recording an increase of nearly 100% in their vote since 1952 when their vote did not exceed 1.4 million (18%).

The U.C.F. polled 4.3 million votes against 3.9 million they had won in 1952 showing that a much less number of voters have veered round to the Congress point of view. Even if we add to this figure votes won by some of the dissident

\* Total number seats: 196. Electorate: 11,568,659. Votes cast: 8,630,311.

	Seats contested.	Seats won.	Votes polled	Percentage
U. C. F.	188	146	4,265,814	50
Communists	169	15	2,695,562	31
P. S. P.	45	13	482,825	6
Independents	162	22	1,173,745	14
Jana Sangh	6	0	8,164	0

Congressmen, who contested as Independents, the difference will remain insignificant.

Under a proportional representation system the Communists would have sent to the House 59 members to the 96 of the U. C. F.

Another interesting point worth noting is that all the 15 Communist members have been returned by the five Circar Districts. Not a single seat was won in the other districts. It is significant also that of the 2.7 million votes cast in their favour 2 million came from the Circar districts. Guntur and East Godavari seem to be the Red strongholds as each of them account for 0.5 million votes. East Godavari has returned six, Guntur two, Krishna and Nellore seven. In a large number of constituencies in West Godavari, Krishna, Guntur and Nellore the Communist candidates lost only by very narrow margins.

The extreme right party, Jana Sangh, has been completely eliminated, all the contestants having lost their deposits. The Socialists have remained static. They won about the same number of votes as in the last election, about 0.5 million. What is of interest here is that out of the 13 seats won by the Party nine came from Visakhapatnam, the domain of the Raja of Vizayanagaram, the leader of the Andhra Socialists.

Though the Reds have lost and lost badly, they are taking comfort in the number of votes polled. The U. C. F. will have to watch its step and work hard if it wants to stop the march of Communism and to reduce its strength. The 2.7 million Reds, Pinks, fellow-travellers and misguided sympathisers will not allow grass to grow under their feet; it is not the Communist way. Democracy has triumphed in the first round. Its lovers will be watching its further progress.

### **Bhoodan Movement**

Vinoba Bhave is meeting with the same success in Orissa as he has met elsewhere in his land-collecting pilgrimages.

According to the latest figures available 3,669,000 acres of land have been donated all over India for the Bhoodan Yagna. Of these 120,000 acres have been distributed among 36,000 families.

### **Central Social Welfare Board**

This Board was established in 1953 by the Central Government for the welfare of women and children, the care of the delinquent and handicapped. Government has allotted Rs. 4 crores for the Board under the First Five Year Plan.

In only eighteen months (from August, 1953) the Board's achievement is impressive. It has started 181 Welfare Extension Projects (the aim being 352, one for each district in the States, with some extra) and has distributed, after careful scrutiny, Rs. 55 lakhs to over 1700 voluntary institutions (with a maximum of Rs. 15,000 to each). But this is an insufficient account of its success which is much better reflected in the enthusiasm it has generated in the State Boards, the good relations it has established between official and non-official agencies and the cooperation it has had from the State Governments. For each Welfare Extension Project the Board contributes Rs. 50,000, the State Government Rs. 12,500, and the remainder comes from local sources. All the 28 State Governments have shown great enthusiasm and have gone all out to render help in every way.

The Board has granted monetary help, after very careful scrutiny, to 419 institutions for the welfare of children 505 for women, 265 for delinquents and 608 for general welfare institutions. Grants are given by instalments and are followed up by searching inspection. In only 5% of the cases were the recipients unable to make use of the grants for reasons beyond their control and in all other cases the Board was fully satisfied with the work done. A large share of the aid has gone to West Bengal which has the largest number of welfare bodies. Bihar, a much larger State, has fewer welfare institutions and has therefore not been able to claim much. The small State of Saurashtra has done extraordinarily

well and so also Delhi. Though aid is rightly concentrated on villages the urban areas are not neglected; a pilot project in Delhi has given employment to about 250 women making match boxes which brings in to them Re. 1 a day and often Rs. 1-8-0 to Rs. 1-12-0.

The Board's present work must be finished in the remaining plan period. 171 new centres will be started and some 2000 institutions will be given aid. Ambitious plans are also made for the second Five Year Plan. Crèches for babies, Homes for bigger children of working mothers, After-care Homes and Workshops for discharged prisoners, delinquents, the handicapped, and children on probation and also institutions for mentally retarded children. The Board will start homes for the aged, where others besides the destitute old can spend their last days in comfort. Training of social workers in hundreds is a tough task the Board has undertaken and it will extend it.

Much of the credit for the excellent work done by the Board goes to its energetic Chairman, Mrs. Durgabai Deshmukh. We hope the Government will allot far larger funds for the Second Five Year Plan period for though what has been already done is much what remains to be done for a country like ours is almost beyond computation.

### **Indian Chambers' Five Year Plan**

Working for months the Federation of the Indian Chambers of Commerce and Industry has produced a draft second Five Year Plan which envisages a total development expenditure of Rs. 7,500 crores.

The Federation would like to call its plan the "Industry and Transport Plan" for it has allocated Rs. 4,000 crores for these two items alone. Here are some of the suggestions made in the Plan:

Manufacture of machinery Rs. 150 Crores, Railways 1250 crores which will be spent in laying 7500 miles of new track, increasing the number of waggons from 200,000 to 400,000,

locomotives from 8,000 to 13,000, coaches from 22,000 to 30,000; new roads Rs. 400 crores which will provide national highways, 20,000 miles, State highways, 40,000 miles, a good road connecting with a market town for every village with a population of 1000; ports and harbours and inland navigation Rs. 100 crores; shipping and civil aviation Rs. 90 crores; power Rs. 400 crores; agriculture, irrigation and small scale cottage industry Rs. 1,200 crores; social service and housing 1,550 crores; small scale urban industries Rs. 250 crores.

The planners are of the opinion that if the plan is adopted employment in factories will go up from 2.87 million in 1950-51 to 3.17 million in 1960-61; the total employment will go up to 10 million; growth of industry will create additional demands for agricultural products; enough food will be produced to provide a ration of 16 ozs. per adult. The plan suggests a relatively greater emphasis on heavy industry; 65% of the total outlay is earmarked for this purpose.

F. C. R.

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"The Christian will for peace is practical and realistic. Its immediate aim is to remove, or atleast to mitigate, the causes of tension....chiefly the comparative scantiness of national territories and the want of raw materials....Why not facilitate the emigration and immigration of families, directing them to countries where they will find more readily the food they need?....Why not allow the people to produce to the limit of its normal capacity and so gain its daily bread as the reward of its own labour?....Why not make the use and exchange (of raw materials) free of all unnecessary restrictions, especially of those which created a harmful situation of economic disparity?"

(Pius XII, Christmas, 1948)

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1. To spread the social teachings of the Catholic Church.
2. To provide theoretical and practical training for social workers.
3. To serve as a centre of information about social works.

### PERSONNEL

The I. I. S. O. was started at Poona on January 6, 1951 and is at present staffed by the following members of the Society of Jesus :

Rev. J. D'Souza, Director, Rev. C. C. Clump, A. Fonseca, A. Lallemand, A. Nevett, and F. C. Rodrigues.

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